

AMENDMENT OFFERED BY MR. PALLONE  
TO THE MEDICARE RECONCILIATION PROVISIONS

Page 217, after line 30, insert the following:

1 SEC. 4623. DEMONSTRATION PROJECT ON MEDICARE COVERAGE OF  
2 PHARMACY PROFESSIONAL SERVICES AND DISEASE MANAGEMENT  
3 SERVICES FURNISHED TO BENEFICIARIES WITH CERTAIN MEDICAL  
4 CONDITIONS.

5  
6 (a) In General.—The Secretary of Health and Human Services (in this  
7 section referred to as the “Secretary”) shall establish a demonstration project to  
8 begin October 1, 1997, to test the cost-effectiveness of coverage under title XVIII  
9 of the Social Security Act of pharmacy professional services furnished to  
10 individuals who—

11 (1) are entitled to benefits under such title, and

12 (2)(A) require post-stroke therapy (such as anticoagulation  
13 monitoring), or

14 (B) are diagnosed by a physician (as defined in section 1861(r)(1) of  
15 such Act) as having asthma or hypercholesterolemia.

16 (b) Scope.—The demonstration project established under subsection (a)  
17 shall be conducted at not less than 5 sites.

18 (c) Duration; Reports.—

19 (1) Phase 1.—

20 (A) Duration.—The demonstration project established under  
21 subsection (a) shall be conducted for an initial period of 18 months.

22 (B) Report.—Not later than March 31, 1999, the Secretary shall  
23 report to the Committees on Ways and Means and Commerce of the  
24 House of Representatives and the Committee on Finance of the  
25 Senate on the initial results of the project.

26 (C) Effect of finding.—If, based on the initial results of the  
27 project, the Secretary finds that furnishing the pharmacy professional

1 services specified in subsection (a) is cost-effective--

2 (i) the Secretary shall include such finding in the report  
3 required by subparagraph (B),

4 (ii) the demonstration project established under  
5 subsection (a) shall be discontinued as of September 30,  
6 1999, and

7 (iii) the amendments made by subsection (f) shall  
8 become effective (and apply to services furnished on or after)  
9 on October 1, 1999.

10 (2) Phase 2.--

11 (A) Continuation of project.--If the Secretary determines that  
12 the finding referred to in paragraph (1) cannot be made on the basis  
13 of the initial results of the project, the demonstration project  
14 established under subsection (a) shall be continued for the 18-month  
15 period beginning on April 1, 1999.

16 (B) Report.--Not later than September 30, 2000, the Secretary  
17 shall submit to the committees specified paragraph (1)(B) a final  
18 report on the final results of the demonstration project established  
19 under subsection (a).

20 (C) Effect of finding.--If, based on the final results of the  
21 project, the Secretary finds that furnishing the pharmacy professional  
22 services specified in subsection (a) is cost-effective--

23 (i) the Secretary shall include such finding in the report  
24 required by subparagraph (B), and

25 (ii) the amendments made by subsection (f) shall  
26 become effective (and apply to services furnished on or after)

1 on October 1, 2000.

2 If the Secretary does not include such finding in the report, the  
3 demonstration project shall be discontinued as of September 30,  
4 2000, or, if later, as of the date on which the report is submitted.

5 (d) Evaluation of Cost-Effectiveness.—In evaluating the cost-effectiveness  
6 of the services furnished under the demonstration, the Secretary may not take  
7 into account—

- 8 (1) the effect of increased longevity on program spending, or  
9 (2) the availability of alternative sources of financing or coverage for  
10 such services.

11 (e) Definitions.—For purposes of this section:

12 (1) The term "pharmacy professional services" means, with respect  
13 to individuals entitled to benefits under title XVIII of the Social Security Act  
14 who are eligible to participate in the demonstration established under  
15 subsection (a), the following pharmacy services:

16 (A) Consultation with the physician of the individual with  
17 respect to changes in the drug regimen of the individual.

18 (B) Consultation with the individual to improve compliance with  
19 such regimen.

20 (C) Disease management services.

21 (2) The term "pharmacy services" means—

22 (A) services that are furnished by a licensed pharmacist who is  
23 legally authorized to furnish such services under State law (or a  
24 State regulatory mechanism provided by State law) of the State in  
25 which the services are furnished, and

26 (B) services that are furnished incident to the services

1 described in subparagraph (A) and would be services described in  
2 such subparagraph if furnished by a licensed pharmacist.

3 (f) Contingent New Medicare Benefit.—

4 (1) In general.—Section 1861(s) of the Social Security Act (42 U.S.C.  
5 1395x(s)) is amended—

6 (A) by striking “and” at the end of paragraph (12),

7 (B) by striking the period at the end of paragraph (14) and  
8 inserting a semicolon, and

9 (C) by adding at the end the following:

10 “(15) pharmacy professional services (as defined in subsection  
11 (oo)(1)) furnished to an individual who—

12 (A) requires post-stroke therapy (such as anticoagulation  
13 monitoring), or

14 (B) is diagnosed by a physician (as defined in section  
15 1861(r)(1) of such Act) as having asthma or hypercholesterolemia.”.

16 (2) Definitions.—Section 1861 of the Social Security Act (42 U.S.C.  
17 1395x) is amended by adding at the end the following:

18 “(oo) (1) The term ‘pharmacy professional services’ means, with respect to  
19 individuals referred to in subsection (s)(15), the following pharmacy services:

20 “(A) Consultation with the physician of the individual with respect to  
21 changes in the drug regimen of the individual.

22 “(B) Consultation with the individual to improve compliance with such  
23 regimen.

24 “(C) Disease management services.

25 “(2) The term ‘pharmacy services’ means—

26 “(A) services that are furnished by a licensed pharmacist who is

1       legally authorized to furnish such services under State law (or a State  
2       regulatory mechanism provided by State law) of the State in which the  
3       services are furnished, and

4               "(B) services that are furnished incident to the services described in  
5       subparagraph (A) and would be services described in such subparagraph if  
6       furnished by a licensed pharmacist."